



Market Brief for Morocco

Morocco is a leading country in the African region in terms of health care equipment and services. Morocco serves as a health care center for the Sub-Saharan neighboring countries, which lack equipment.

Though health care expenditures seem small according to international standards (4.6% of Morocco's GDP), there has been a yearly increase of 10%, since 1999. The budget allocated to healthcare increased from \$400 million in 1999 to \$700 million in 2005. In 2005, Government expenditures amount to \$131 million for procurement of medical equipment and \$121 million for other public hospitals expenditures. To meet the population growth rate (1.4%) and the domestic growing demand for modern and western health care standards, the Ministry of Health plans an annual budget increase of 13% to implement its 2003-2007 Action Plan. Under this plan, the Ministry will build 4 new cancer hospitals, upgrade 120 existing hospitals with modern equipment, increase hospital in-patient capacity, improve hospital operations, and automate the systems. In addition, the law 65//00 on the mandatory health care coverage (Assurance Maladie Obligatoire "AMO") was implemented in August 2005. This new law will increase the health coverage from 20% to 40% in the next six months and aims at rapidly reaching 80%.

The Moroccan health sector is divided into the public sector and the private sector, both being under the supervision of the Ministry of Health (MOH). The public sector counts 127 public hospitals, 4 University hospitals (Centres Hospitaliers Universitaires "CHU"), which are autonomous but under the general supervision of the Ministry of Health, 4 military hospitals and 14 Social Security hospitals, (Polycliniques de la Caisse Nationale de Securite Sociale "CNSS"),

which belong to the national social security, and are slated for privatization. The public sector totals 89,057 hospital beds and 380 operating theaters, and represents the main end user. The public sector provides the basic health care (immunization) as well as the highest-end medical care (cardiology, oncology, gastroenterology, radiology, surgeries, etc.). A few cases are referred to foreign hospitals. The private Sector counts over 248 private clinics, which compete with the public sector. Due to the growing demand, this number is increasing rapidly. In addition to the private clinics, private radiology centers provide radiology services exclusively.

With a total of 407 healthcare centers offering a total of 34,445 beds (1.15 hospital beds per 1,000 inhabitants), Morocco is an up growing opportunity field in terms of medical equipment and services. The medical material and equipment production is extremely low and limited to basic and technologically un-advanced material. It is mainly centered on furniture, which does not comply with international standards, and single use material, such as bandages and syringes. Morocco relies on imports to supplies hospital facilities with technologically advanced medical devices.

The competition is high with more than 200 actors due to the free access to the market. However, Moroccan medical officials consider the U.S. equipment as efficient and modern. U.S. companies such as GE and Johnson & Johnson have been successful in the country. U.S. technical and managerial expertise in the health field is highly regarded. With this reputation, U.S. firms could benefit tremendously from reforms in the health sector, as well as the U.S. Morocco Free Trade Agreement, which will abolish the import duties, and offer a “competitive import advantage” over European competitors.

Market Access

Except for X-rays that require special authorizations to enter the country, other medical equipment is freely imported. Import taxes are presently around 2.5% but will be abolished with the enactment of the U-S. Morocco Free Trade

Agreement.

The metric system is the system of measurement and the electric standard is 220V, 50 Hz. New regulations include CE standards quality requirements for electro medical equipment such as a CE Mark certificate and U.S. standards.

Refurbished equipment is not allowed in public health procurement. However, tremendous opportunities exist in the private sector, especially the sophisticated and expensive equipment. U.S. used equipment that offers technical warranties such as a certification from the U.S. FDA, will find excellent opportunities with the Moroccan private sector.

Procurement in the public sector is performed through tenders, which are publicly announced in newspapers. U.S. firms are advised to select a local distributor with strong French language skills, who knows the market and public procurement procedures. U.S. firms also need to provide long-term assistance to their local partner, such as brochures and manuals in French.

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